

Assessing Introduction

ASSESSING INTRODUCTION ASSESSING DEPARTMENT ANNUAL REPORT 2008

The Town of Newmarket, much like other communities, continues to experience a downward trend in our real estate property values.

From October of year 2007 To the present (Jan. 2009), we are witnessing a near 20% decline on "For Sale" properties and a 40% decline on "Sold" properties. People are realizing that this is not a good time to sell and for those trying, are experiencing a longer stay in the market. For some, a quicker sale, even if at a loss is a better alternative to waiting it out.

In any case, values that we once saw, rise astronomically in year 2003-2005 have returned back to year 2003 level. In fact, we have not yet seen the bottom, although I believe we are close. As long as people are working, the market should stabilize and I think sooner rather than later. However, should unemployment begin to rise, more pessimism about our real estate will surely follow.

REVALUATION: The Town of Newmarket will be undergoing a full revaluation this tax year (2009). The state requires that assessments be revised at least once every five years. The last town wide revaluation was last generated in year 2004. By mid summer a complete market review will be done, after which, owners will receive a copy of their revised assessment card. For most, this update may not reflect much significant change. Most properties are already assessed near market value. This summer's sales analysis will help determine what the appropriate assessment should be.

ABATEMENT REQUIREMENTS: For those wishing to challenge the assessment, a letter accompanying their revised assessment card will explain rights and opportunities to discuss before the formal tax rate is set. Beyond this, a taxpayer can still legally request an abatement after the final tax bills have been mailed and have until March 1st the following year (2010) to do so. Official Abatement applications are available at the Tax Collector's Office. Requirements are explained on the form.

CERTIFICATION: The Town of Newmarket last passed its 5-year audit in tax year 2005. The audit or "Assessment Report" can be viewed on line at the State Dept. Revenue web site: www.revenue.nh.gov/propertytax/index.htm click on Assessment Report. Our next full Audit by the State will be in tax year 2010.

VERIFICATION: In order to be certified, the Assessor's Office plans to continue visiting and inspecting properties. We currently visit approx. 20-25% every year. This process enables the Town to fulfill their obligations in preparation for the 5th year full revaluation. As a result of this process, the Assessor's office has managed to perform it's own internal revaluation since year 1999, thus saving the taxpayers approx. \$300,000 which is the approximate cost for an outside firm to revalue a town of this size.

ASSESSMENT RATIO: As of April 2008, properties were assessed at approximately 100% of their fair market, as a matter of reference; our ratio last year (2007) was 89.6%.

TAX RATE: The year 2008 tax rate was \$22.06 per thousand of assessed value. The 2008 tax rate was 86 cents higher than the previous year. This reflected an approx. 4% increase.

EXEMPTIONS: Property owners may be eligible for certain exemptions on their property. If you are elderly, disabled, blind, a veteran, veteran's widow or unable to pay taxes due to poverty or other eligible for tax exemption, credit, abatement or deferral. For details and application information, contact the Assessing Office at 659-3073. Criteria for all exemptions and credits can be viewed on our Town website www.newmarketnh.gov and then to Assessing Department link.

PUBLIC RELATIONS: Any taxpayer having assessment questions or wish to see the Assessor may contact the Assessing Assistant, Becky Uhlenberg at 603-659-3073 ext 1306 or email buhlenberg@newmarketnh.gov. Also, taxpayers may view their assessment "online" at www.visionappraisal.com, link onto "online data base", and choose NH then Newmarket. Please keep in mind that online values are only periodically updated.

TRIVIA: Effect on Tax Rate

- ~ Approximately \$725,000 of additional expenditures will raise the tax rate approximately \$1.00 per thousand.
- ~ It would take approximately 35million of additional assessed value to reduce the tax rate by \$1.00
- ~ Because of the downward trend in values, taxes now reflect about 2.2% of the properties fair market value.

Respectfully Submitted,

Andy Blais, Assessor

Town of Newmarket

CRITERIA FOR EXEMPTIONS & CREDITS

ELDERLY EXEMPTION CRITERIA

TO QUALIFY:

- ~ Taxpayer must be at least 65 years of age on or before April 1.
- ~ A New Hampshire resident for at least three (3) years.
- ~ Own the real estate individually or jointly; or, if the real estate is owned by taxpayer's spouse, they must have been married for at least five (5) years.
- ~ Net income cannot exceed:

\$35,000 for single person, including social security payments

\$ 50,000 for married person, combined income including social security payments

~ Net assets cannot exceed \$110,000 (excluding value of taxpayer's residence.)

The PA-29 Form (available at the Town Clerk/Tax Collector Office) must be completed.

You must attach copies of most recent Federal Income Tax Return (if one was filed) and

State Interest & Dividends Tax Forms. Applications are due April 15 preceding tax bill.

You will receive confirmation from the Assessor's Office prior to the next tax billing.

If approved: Age 65 – 74 Exemption = \$ 80,000
Age 75 – 79 Exemption = \$100,000
Age 80+ Exemption = \$120,000

DISABLED CRITERIA (RSA 72:37 B & C)

Same qualifications as for the elderly (above), with the exception of the age requirement.

Disabled homeowners, regardless of age, may apply for the disabled credit. Also, proof of 100% disability must be provided through Social Security Administration.

If approved: Exemption = \$ 70,000

BLIND CRITERIA (RSA 72:37)

A legal resident property owner who has been determined to be blind by the State of

New Hampshire Bureau of Vocational Rehabilitation may file for a \$20,000 exemption from their assessment. (Applications available at Town Clerk/Tax Collector Office)

72:37-a Exemption for Improvements to Assist Persons with Disabilities

I. In this section:

“Person with a disability” means a person who by reason of physical defect or infirmity permanently requires the use of special aids to enable him to propel himself.

“Residential real estate” has the meaning set forth under RSA 72:29 II.

II. Every owner of residential real estate upon which he resides, and to which he has made improvements for the purpose of assisting a person with a disability who also resides on such real estate, is each year entitled to an exemption from the assessed value, for property tax purposes, upon such residential real estate determined by deducting the value of such improvements from the assessed value of the residential real estate before determining the taxes upon such real estate.

One example: A taxpayer builds a wheelchair access ramp under this law, the value of the ramp would be exempt.

72:38-a Hardship

I. Any resident property owner may apply for a tax deferral if the person:

Is either at least 65 years old or eligible under Title II or Title XVI of the federal Social Security Act for benefits for the disabled; and

Has owned the homestead for at least 5 consecutive years if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant; and

Is living in the home.

The assessing officials may annually grant a person qualified under this paragraph a tax deferral for all or part of the taxes due, plus annual interest at 5 percent, if in their opinion the tax liability causes the taxpayer an undue hardship or possible loss of the property. The filing of the permanent application shall be sufficient for said persons to receive a deferral on an annual basis so long as the applicant does not change residence. Newmarket does require an annual application for the tax deferral authorized for the elderly and disabled by this section. The form shall include the following and such other information deemed necessary by the commissioner:

Instructions on completing and filing the form, including an explanation of the grounds for requesting a deferral.

Sections for information concerning the applicant, the property for which the relief is sought, and other properties owned by the person applying.

A section explaining the appeal procedure and stating the appeal deadline in the event the municipality denies the tax relief request in whole or in part.

A place for the applicant's signature with a certification by the person applying that the application has a good faith basis and the facts in the application are true.

If the property is subject to a mortgage, the owner must have the mortgage holder's approval of the tax deferral. Such approval does not grant the town of preferential lien.

Should, in the future the deferral property be transferred, the lien amount shall become due and payable to the town plus interest. See RSA 72:38-a for more details.

Note: For taxpayers who although not qualified as elderly or disabled but are having hardship may also qualify for a tax deferral under RSA 168. Similar rules and qualifications apply. The interest charge shall be 6%. Taxpayers may receive additional information by requesting same at the Town Collectors Office.

Energy System Exemptions ~ Wind, Solar, Wood

Definition of Energy System: Includes entire system, and not just one or two components. The system must replace or

significantly supplement an energy utility of the household.

Who can Apply: The exemption, unless restricted, is open for all property owners, which includes residential, commercial, industrial, etc.

Deadline for Application: Same as for all other exemptions and credits, which is on or before April 15 of the applicable tax year.

Where to Apply: Applications are available at the Tax Collector's Office, along with a description of exemption and criteria needed.

Exemption Value: The exempt amount is based on 100% of the cost of the energy system, which includes the components and cost of installation.

VETERANS' CREDIT

Section 72:28

72:28 Standard and Optional Veterans' Tax Credit

The standard veterans' tax credit for the Newmarket shall be \$500.00

The following persons shall qualify for the standard veterans' tax credit or the optional veterans' tax credit:

Every resident of this state who served not less than 90 days in the armed forces of the United States in any qualifying war or armed conflict listed in the section and was honorably discharged or an officer honorably separated from service; or the spouse or surviving spouse of such resident;

Every resident of this state who was terminated from the armed forces because of service-connected disability; or the surviving of such resident; and

The surviving spouse of any resident who suffered a service-connected death.

Service in a qualifying war or armed conflict shall be as follows:

"World War I" between April 6, 1917 and November 11, 1918, extended to April 1, 1920 for service in Russia; provided that military or naval service on or after November 12, 1918 and before July 2, 1921, where there was prior service between April 6, 1917 and November 11, 1918 shall be considered as World War I service;

"World War II" between December 7, 1941 and December 31, 1946;

"Korean Conflict" between June 25, 1950 and January 31, 1955;

"Vietnam Conflict" between December 22, 1961 and May 7, 1975;

"Vietnam Conflict" between July 1, 1958 and December 22, 1961, if the resident earned the Vietnam service medal or the armed forces expeditionary medal;

"Persian Gulf War" between August 2, 1990 and the date thereafter prescribed by Presidential proclamation or by law; and

Any other war or armed conflict that has occurred since May 8, 1975, and in which the resident earned an armed forces expeditionary medal or theater of operations service medal.

Any resident who believes they may qualify can pick up an application from the Assessor's office

72:35 Tax Credit for Service Connected Total Disability

I. Any person who has been honorably discharged or an officer honorably separated from the military service of the United States and who has total and permanent service-connected disability, or who is a double amputee or paraplegic because of service-connected injury, or the surviving spouse of such a person, shall receive a standard yearly tax credit in the amount of \$2000 of property taxes on the person's residential property.

Note: Double Amputee's Paraplegic or Blindness of both eyes as a result of service connection are entitled to a total exemption on their homestead if said home has been specially adapted, thru VA Assistance.

DISCLAIMER

To all who may read this website, please understand that rules, laws, and interpretations are subject to change.

The information displayed is intended to aid the taxpayer in understanding some of the policies, laws etc. which may be of interest. Some of the information displayed is summarized and may not contain all the details of the laws, etc.

More complete and up to date information may be requested by calling the Assessor's Office 603-659-3073 ext 1306.

FREQUENTLY ASKED QUESTIONS

What is revaluation?

A revaluation is the process of conducting the data collection and market analysis necessary to equalize the values of all property within a municipality for the purpose of a fair distribution of the tax burden.

Why is a revaluation needed?

The State of New Hampshire requires that all towns re-adjust their assessment to fair market value at least once every five (5) years. The Town of NewMarket last had a full revaluation in 2004. Our next revaluation will begin in 2009.

What is market value and who determines my property value?

Market value is determined by people, by the activity in the real estate market, and the general economy. The value of your property is based on an analysis of the entire market for the full calendar year before the completion of the revaluation project. The market can generally be defined as you, the person who sold the property to you, and the person willing to buy it from you.

It is the Assessor's job to research and analyze the values in any particular neighborhood. In effect, he does what you would do to determine the selling price when putting your property up for sale. The Assessor has specific guidelines to follow. Factors that are examined on each property are: location, size, quality of construction, age of improvements, topography, utilities, zoning restrictions, etc.

What happens during a revaluation?

At revaluation, a physical inspection of both the interior and exterior of each property is conducted, where building dimensions and characteristics are noted. This is the data collection phase of the project. The collection phase is an ongoing process.

The Assessor then studies the sales and determines where the actual increases and decreases in value are occurring. This study of recent property sales allows comparisons to be made. The Assessor then established parameters to estimate value of property that has not been sold. The Assessor then reviews this data and applies the determining factors of the sales analysis to come up with a value of each property.

Will an assessment update increase taxes?

Although a revaluation may result in an increase of nearly each individual assessment, it does not mean that all property taxes will increase. You may be saying "SURE!" but remember assessments are only the base that is used to determine the tax burden. The tax burden is the amount that the municipality must raise to operate local government and support the many services each of us has come to expect, such as school, police, fire protection, etc. If the same amount of money is to be raised after the revaluation as the previous year, and each assessment doubles, the tax rate would merely be cut in half.

How will I know if my assessment is equitable?

There are two very good methods of determining this. First, compare your property to similar properties that sold in the previous year. Your value should be in line with these sales prices. Second, if no recent sales are available, compare your assessment to other similar properties in your area using the street listing of values available in the Assessment Office. Your value should be comparable to similar properties. Remember, very few properties are exactly alike. Your value should be in line but it seldom will be exactly the same as what seems to be a similar property.

When will the revaluation take place?

The Town is obligated by statute to perform a full revaluation at least once every 5 years. The last revaluation was done in year 2004. Therefore we are due for full update of value assessment this tax year (2009).

